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E.O. 12958: N/A  
TAGS: [UNICEF](#) [WHO](#) [EAID](#) [SOCI](#) [UN](#)  
SUBJECT: HHS SECRETARY SEBELIUS - SYG BAN CALL ON  
NEGOTIATING H1N1 VACCINE PRICING

¶1. (SBU) (Begin summary) U.S. Secretary of Health and Human Services Kathleen Sebelius spoke via teleconference with United Nations Secretary-General Ban Ki-moon, the Director-General of the World Health (WHO) Organization Margaret Chan, the Executive Director of the UN Fund for Children (UNICEF) Anne Veneman, and the UN Systems Influenza Coordinator (UNSIC) David Nabarro on Saturday, October 31. In response to Sebelius' request that the UN system work expeditiously to secure tiered pricing for the U.S. and other donors purchasing H1N1 vaccine for WHO, Ban said he fully understood and supported the USG's desire to get "maximum value for the dollar." Chan and Veneman said they would immediately convene UNICEF and WHO technical-level working groups to address this issue in partnership with the USG and other donors. Chan requested that USG funds meant for H1N1 vaccine procurement be coursed through WHO to UNICEF at no additional cost in order for pre-existing legal agreements between WHO and recipient countries to cover liability issues. (End summary.)

¶2. (SBU) Secretary Sebelius expressed USG gratitude to the UN for WHO's leadership throughout the H1N1 crisis, and for facilitating the USG's H1N1 donation. Sebelius also reaffirmed USG commitment to donating 5 million finished doses of H1N1 vaccine, purchased at full price, to meet WHO's late November/early December start date for international H1N1 vaccine provisions to 95 developing countries. Sebelius stressed, however, that the USG would like to be able to procure future tranches of vaccine at a reduced, tiered price, and would like the UN system to lay down the necessary infrastructure and negotiate with vaccine manufacturers to realize this goal swiftly.

¶3. (SBU) SYG Ban thanked the USG for its leadership on H1N1 and said he understood USG "sensitivities around the price paid for vaccine, and our need to get the maximum value for our dollar." Chan said that she and Veneman were working closely to pull together a WHO-UNICEF team in Geneva to move expeditiously on this matter. Together, Chan said, they would work hard to negotiate down the price, remarking that, "the pharmaceutical companies will not be very happy with us."

¶4. (SBU) In response to Chan's request for a point of contact in the U.S. Government on this effort, Sebelius put forward Counselor to the Secretary John Monahan as a preliminary USG lead. Chan named her Advisor Ian Smith in Geneva as WHO's point of contact moving forward. Veneman said she would find an appropriate person from within UNICEF. All

agreed to arrange a technical-level conference call on Monday, November 2.

¶5. (SBU) Veneman and Chan then emphasized that the USG should course funds meant for vaccine procurement through WHO to UNICEF for purchase so as to maintain existing liability arrangements. Chan said WHO would not take any transaction cost for handling the money. Sebelius said this sounded like a feasible plan, but that she would have to vet it with her legal team and respond on November 2.

¶6. (U) Please direct any follow-up questions related to the cable to USUN/W Amar Bakshi (BakshiA@state.gov).  
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